

Darrell E. or Nancy McDonald
P.O. Box 102
Arco, Idaho 83213-0102
(208)527-3413

April 23, 2005

Mr. Steve Burrell, Staff Engineer
Water Allocations Bureau
Idaho Department of Water Resources
322 East Front Street
P.O. Box 83720
Boise, Idaho 83720-0098

Re: Distribution of Water for District 34

Dear Mr. Burrell:

On approximately March 16, 2005, a letter from Rick Reynolds, Chairman, Big Lost River Irrigation District, was sent to Mr. Spackman requesting clarification on the difference between the Storage Water Rights held by BLRID and "impounded water" referred to in Rule 040. On April 4, 2005, a copy of that letter was faxed to Mr. Spackman. A copy is attached.

According to Rule 10 of IDAPA 37.04.12, Definitions, #15, Storage Water is "Water impounded in a storage facility, including the Mackay Reservoir, pursuant to a water right which included storage as a purpose of use." According to records available on the internet, the only storage rights out of the Big Lost River are held by BLRID. These rights are as follows: 34-12, 34-810, 34-811, 34-817B, 34-818, 34-2507, 34-10873, and 34-10935.

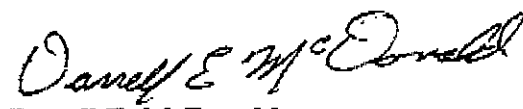
According to Rule 10 of IDAPA, Definitions, #12, Rotation Credit is "Water impounded in Mackay Reservoir pursuant to a water right whose source of water is the Big Lost River and which does not include storage as a purpose of use. The impoundment of water as rotation credit is described in Rule Subsection 040.02."

Richard Reynolds, Dean Anderson, Keith Waddoups, and Darrell McDonald, met with Tim Lukes, Gary Spackman, and you last winter in Boise. One of the concerns was shrinkage requirements on the BLRID's Storage Water rights. We understood that "Water Distribution Rules - Water District 34, Rule 040. "ALLOCATION OF NATURAL FLOW" did not apply to BLRID's Storage Water Rights, and that the "Storage Water" was administered by the BLRID's board of directors.

In the past, the "Storage Water Rights" were allocated out to water users with the evaporation losses, and a universal shrinkage factor applied before allocation. A copy of a letter by Rita Lundy, who was the manager for years, is attached that explains how the Storage Water was allocated. However, the current manager of BLRID, Bob Schaeffer, insists that Rule 040.03.b is to be applied to all impounded water, including the Storage Water. This is the reason we asked for clarification on the difference between Storage Water and Impounded Water.

It is our understanding, that you have been assigned to Basin 34. Therefore we are redirecting our request to you. The monthly BLRID board meeting will be held May 3, 2005 and the storage water for 2005 should be allocated at that time. We would appreciate a reply prior to that date if at all possible. Thank you.

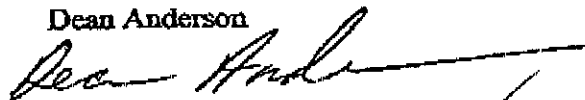
Sincerely,


Darrell E. McDonald

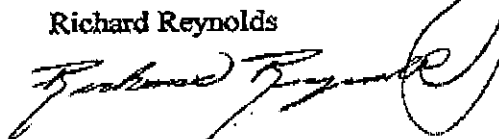
Keith Waddoups



Dean Anderson



Richard Reynolds



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